

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 535 - SB 455

March 16, 2021

SUMMARY OF ORIGINAL BILL: Decreases, from 6 months to 90 days, the timeframe for a governing body of a public charter school to appoint a qualifying parent representative to the body's membership.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005014): Deletes all language after the enacting clause and rewrites the bill. Establishes that a public charter school shall be operated as a not-for-profit who may contract for the management of the public charter with an education service provider that meets certain criteria.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Tennessee Code Annotated § 49-13-124 authorizes a governing body of a public charter school to contract for services for the management of a public charter school by a not-for-profit entity; the proposed legislation will expand the authorization for managing a public charter school to include for-profit education service providers.
- The federal Charter School Program (CSP) provides grants that provide the primary funding for startup charter schools; the majority of the state's charter schools utilize CSP funds.
- CSP grant regulations prohibit recipients from awarding subgrants to for-profit entities; therefore, any non-for-profit charter school receiving the CSP grant must directly administer the project and must ensure that funds are used in accordance with statutory and regulatory requirements.
- The Department of Education (DOE) is required to monitor the use of CSP funds at charter schools and ensure that all uses are allowable under the CSP grant regulations.
- It is reasonably assumed that DOE can monitor any additional for-profit education service providers that may gain authorization to operate in the state utilizing existing staff and resources. Any fiscal impact is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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